



## BLANKET CONTRACT

The City of Seattle  
**PURCHASING SERVICES**  
700 5<sup>th</sup> Avenue, Suite #4112  
PO Box 94687  
Seattle, WA 98124-4687

Blanket Contract # 0000002603		Date 12/30/10	Change Order 2
Payment Terms Net 30	Freight Terms Prepaid & Allowed: FOB: Destination		
Buyer: Jason Edens		FAX: 206-233-5155	Phone: 206-684-0445

Vendor #: 0000264549  
Zonar Systems, Inc  
18200 Cascade Ave South, Ste 200  
Seattle, WA 98188  
Contact: Kyle Bruny  
Phone #: 206-878-2459  
Fax #: 206-878-3082  
E-mail: [kyle.bruny@zonarsystems.com](mailto:kyle.bruny@zonarsystems.com)

**Ship To:**

CITY DEPARTMENTS

**Bill To:**

SEE BELOW

Zonar Systems, Inc. is awarded a contract for telematics products including AVL (GPS positioning) vehicle systems. This contract is awarded via an Interlocal agreement with –Central Susquehanna Intermediate Unit on behalf of the Pennsylvania Department of Education. See attachments #1 and #2 for specifications and conditions. The term of the Contract is from 12/31/10 and ending 12/31/2013.

Original contract term: 7/2/09 – 12/31/09  
Contract Change Order #1: 01/01/09 – 12/31/10  
Contract Change Order #2: 01/01/10 – 12/31/13

The Vendor shall require the ordering City employee to state his or her name, department/unit name, low org number, telephone number and ship to address. Invoices shall be mailed in duplicate to the City of Seattle, Accounts Payable, per attached list. Each invoice shall indicate Contract #0000002603.

The City does not guarantee utilization of this contract.

Authorized Signature/Date

*[Handwritten Signature]* 12/30/10



**PEPPM 2011 Product Line Bid  
CSIU and AWARDED VENDOR AGREEMENT**

**BETWEEN**

**Central Susquehanna Intermediate Unit, Lewisburg, Pennsylvania**

**AND**

Zohar Systems, Inc.

(Bidder's legal name referred to throughout this agreement as "Vendor")

**For Product Line:**

Zohar Systems  
Manufacturer/Publisher Name

Electronic fleet management hardware & software  
Product Line Description (as per PEPPM Product  
Line Bid List)

**THE BACKGROUND OF THIS AGREEMENT IS AS FOLLOWS:**

- I. CENTRAL SUSQUEHANNA INTERMEDIATE UNIT (Intermediate Unit No. 16, referred to throughout this Agreement as "CSIU") is an intermediate unit established by and existing under Chapter 11 of the Pennsylvania Public School Code of 1949, as amended, 24 P.S. ss9-951 et. seq., with its principal place of business on Lawton Lane in the Borough of Milton, Northumberland County, Pennsylvania, and having as its mailing address 90 Lawton Lane, Pennsylvania 17847.
- II. CSIU has developed and operates a cooperative bidding program for technology equipment and supplies known as PEPPM that serves all public school districts, area vocational technical schools, intermediate units, BOCES, state approved private schools, public libraries, non-public schools, state approved charter schools, community colleges and, with the Awarded Vendor's approval and where permissible by statute or regulation, colleges, universities, county governments, local municipalities, related county/municipal authorities, special districts, state agencies not otherwise prohibited and other non-profit organizations in Pennsylvania and similar entities in other states. CSIU is the national coordinator for the PEPPM program.
- III. Other school districts or non-profit corporations in other states, as identified above (Agencies), participate as lead agencies by awarding contracts in their respective states as described in the Bid documents labeled "PEPPM 2011 Product Line Bid."
- IV. Vendor is an individual or entity, which desires to bid, and, if successful, participate in PEPPM. Vendor's legal address is

18200 Cascade Ave. S.  
Seattle, WA 98188



- V. CSIU has worked to improve the services it provides to purchasing agencies, which participate in PEPPM. CSIU has worked to enhance the services it provides to PEPPM Vendors and Agencies by incorporating electronic commerce features designed to reduce Vendor transaction costs and a fax system whereby LEA purchase orders are faxed to a toll free number. Once faxed purchase orders are received, they are reviewed, verified and submitted to the vendor for processing.
- VI. In order to provide and maintain an improved and enhanced level of services to the program, the CSIU will also perform certain services to ensure a high level of PEPPM information clarity and appearance on the PEPPM and Epylon websites on which PEPPM information is available for review by PEPPM eligible purchasers.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED IN THIS AGREEMENT, CSIU, AGENCIES AND VENDOR AGREE THAT:

1. **Term.** This Agreement shall commence on January 01, 2011 and end on December 31, 2013.
  - 1.1 Vendor agrees to extend its bid prices according to all terms and conditions of the Contract documents to each educational agency, library agency, private school and other agencies that are authorized to purchase the products included in the Vendor's bid by virtue of that bid having been submitted to and accepted by one of the Lead Agencies.
  - 1.2 If the AGENCY decides to extend the bid award beyond December 31, 2013 for a period of up to one year after the termination date, this Agreement will automatically extend upon mutual agreement with the CSIU and the Vendor. Vendor responsibilities under this Agreement will continue, CSIU services under this Agreement will continue to be provided and all fees enumerated by this Agreement will continue to be payable by the Vendor for a corresponding period of time.
2. **Fee.** For the Term of this Agreement, Vendor agrees to remit the fee based on the following terms to Epylon Corporation ("Epylon") of Lafayette, California:
  - 2.1 Vendor will be required to pay Epylon a Transaction Fee of 1.75%, collected by Epylon, of the purchase price for each completed purchase off of the awarded contracts. This fee will not be charged to or paid by the purchasing agencies participating in PEPPM and is not to be stated or included in the bid responses, contract prices, or any quotes provided.
  - 2.2 Vendor and its Authorized Resellers will be required to agree to the terms and conditions found in the Epylon Vendor Merchant Agreement at [www.epylon.com](http://www.epylon.com) and incorporated herein by reference.

### **3. Required Information.**

- 3.1 In addition to fully complying with all CSIU requirements stated in the bid Terms and Conditions, the Vendor will supply the information needed to post Vendor's product/price lists on the PEPPM Internet Home Page and the Epylon eCommerce system in no less than Excel 2003 for Windows format using the required Price List Template. The data requirements include, at a minimum, the following:
  - 3.1.1 Sort Number
  - 3.1.2 Price Method
  - 3.1.3 Vendor SKU
  - 3.1.4 Product Name
  - 3.1.5 Product Description
  - 3.1.6 Current Price per UOM
  - 3.1.7 UOM
  - 3.1.8 Manufacturer Name
  - 3.1.9 Manufacturer SKU
  - 3.1.10 Awarded Vendor
  - 3.1.11 Product UNSPSC Commodity Code
  - 3.1.12 Other information as required from time to time by the CSIU.
- 3.2 The Vendor shall submit the following in Microsoft Word or PDF format:
  - 3.2.1 Vendor Contacts and Ordering Information using template provided
  - 3.2.2 Large volume discount information
  - 3.2.3 Employee buy information (If applicable)
  - 3.2.4 Product leasing information (If applicable)
- 3.3 Vendors have the option of having their line items displayed and hosted in the Epylon contract database within the Epylon website ("Hosted Placement") at no additional charge or using a cXML punchout solution, whereby buyers log on to Epylon and are sent to the vendor's own proprietary website, with Epylon's shopping cart functionality ("Retriever/PunchOut").

By default, all Bidders will be set up with Epylon to have their line item prices displayed as part of Epylon's online contract catalog database. If vendors have a previously arranged punchout relationship with Epylon, that punchout functionality will be used to display prices instead of Epylon's online contract catalog database. Awarded Vendors have the option of using a cXML punchout solution, whereby buyers log on to Epylon and are sent to the vendor's own proprietary website, with Epylon's shopping cart functionality ("Retriever/PunchOut").

Vendors may also choose to provide a punchout from the PEPPM website whereby buyers log on to PEPPM and are sent to the Vendor's own proprietary website. Buyers using Vendor's shopping cart functionality must be able to accumulate products for acquiring a real-time PEPPM quote that can be printed for fax order submission. Using this feature the buyer is not permitted to "purchase" directly from the vendor unless special arrangements for so doing have been made with PEPPM.



- 3.3.1 For Retriever/PunchOut, the Awarded Vendor choosing this option must be able to configure its own proprietary website to Epylon Retriever/PunchOut, according to Epylon's format and specifications, as contained in Epylon Retriever cXML specification document. These specifications may be obtained from Epylon upon the signing Epylon's standard Non-Disclosure Agreement.
  - 3.3.2 Vendor's who choose to have Hosted Placement must submit timely Excel data files, in a specific format and on a specific Excel template, as described elsewhere in this document. There is no charge for Vendor's to use this option. Updates are limited to one per week, according to Epylon's specifications and time frame. If for extraordinary or emergency reasons, the Vendor insists on updating price files more than once per week, the vendor will be charged \$500 per contract file.
- 4. **Updates.** If there are any changes to the existing list, new product announcements, price changes, or other adjustments to the posted list, Vendor shall provide updates to this information on a timely basis via electronic file transfer and utilizing the Price List Template. Confirmations indicating that pricing is current can be provided via electronic mail, fax, or overnight mail.
  - 4.1 If there is not an update or confirmation within five (5) weeks, the Vendor will be contacted by the PEPPM staff requesting compliance.
  - 4.2 Failure to submit update/confirmation information within five (5) weeks as required may result in the suspension of the Vendor's listings from PEPPM until these or any other conditions of the bid are met or the termination of the PEPPM Award contract.
- 5. **Non-Performance.** Vendor agrees that its presence on PEPPM is not a guarantee of any sales to LEAs. Vendor agrees to market its products to LEAs to generate sales. Vendor is expected to achieve a minimum of \$5,000 in PEPPM sales per quarter for each awarded product line. Failure to achieve that level may result in the termination of the Vendor's contract for that product line.
  - 5.1 Failure to comply with any requirements of this contract by Vendor, which cannot be rectified within a reasonable time frame as determined by CSIU and as indicated in Section 18 (Termination) below, may result in the termination of the Vendor's contract for the awarded product line (s) and removal from the PEPPM program.
- 6. **Additional Information.** Vendor shall cooperate with the CSIU on requests for additional information, which will assist the Agencies in serving PEPPM eligible purchasers throughout the term of this Agreement.
  - 6.1 Vendors shall cooperate with AGENCY's reasonable requests for information and shall comply with all audit provisions contained within the Terms and Conditions.

- 6.2 The CSIU agrees to not disclose this information to any party except to parties involved with PEPPM management and operations.

7. **CSIU Obligations.** CSIU shall be obligated to:

- 7.1 convert, where appropriate as judged by the CSIU, the Excel and Word files submitted by Vendor, as referenced above, to HTML, Access and/or PDF formats,
- 7.2 maintain and store price list files in multiple locations and/or formats (Excel, HTML and/or PDF),
- 7.3 monitor price list files for bid compliance,
- 7.4 archive price lists for historical and audit information,
- 7.5 actively promote PEPPM to the community of eligible purchasers through various means including electronic and print media, trade shows, conferences, conventions and seminars,
- 7.6 provide PEPPM administrative, operational and technical interface support to Vendor,
- 7.7 post banner advertising on the vendor or product line pages with links to Vendor specified locations that do not conflict with PEPPM objectives,
- 7.8 submit product and price list information to Epylon for inclusion in its database for access through the Epylon eCommerce system, provided, however, that this section applies only if the Vendor has not chosen the Retriever/PunchOut option.

8. **Indemnification.**

- 8.1 Each party shall hold the other harmless from any liability, including court costs and expenses of litigation, by reason of claims arising out of this Agreement, except to the extent resulting from the acts of failures to act of the indemnified party.
- 8.2 In the event that the party purchasing from the Awarded Vendor is a state agency under Pennsylvania law (e.g. PASSHE (Pennsylvania State System of Higher Education) members), then the provisions of this Indemnification paragraph shall not apply.

9. **Interpretation.** For the purpose of this Agreement, one gender shall include any other gender and the singular shall include the plural, and all rights granted and received shall be joint and several, as the case may be.

10. **Amendments.** No amendment to this Agreement shall be binding on either party unless it is in writing signed by both parties, which writing makes specific reference to this Agreement.



11. **Notices.** All notices explicitly or implicitly required by this Agreement shall be delivered by certified mail to the parties at the address referred to in the Background of this Agreement.

11.1 Unless proven to the contrary by the recipient, notice shall be deemed received no more than two business days after its postmark by the postal service.

12. **Governing Law And Venue for Disputes.** This Agreement shall be governed by and construed under the laws of the state, any disputes shall be determined in the court of general jurisdiction in the county, in which the applicable Lead AGENCY is located.

13. **Survival of Agreement.** This Agreement shall be binding on and inure to the benefit of the successors and assigns of both parties. Any rights and obligations arising during the term of this Agreement shall survive its termination.

14. **Entire Agreement.** Together, this Agreement, the PEPPM 2011 Product Line Bid documents, and attachments including, but not limited to the PEPPM 2011 Product Line Bid Terms and Conditions and the Vendor's bid proposal shall constitute the Entire Agreement. There are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise, of any kind, concerning this Agreement except as contained in this and those documents. Vendor will be required to enter into a Merchant Agreement with Epylon included with the PEPPM bid documents.

15. **Captions.** The underscored captions appearing at the beginning of each section of this Agreement are for reference and convenience only and shall be totally disregarded whenever an interpretation of this Agreement is required.

16. **Most-Favored-Nation.** Vendor represents that it will use reasonable commercial efforts to ensure that the prices quoted or charged to any LEA under this Agreement do not and will not exceed final prices offered outside this contract to the LEA or other eligible LEAs under this Agreement in each respective state in which LEA is located for the same or substantially similar items or services for comparable quantities under similar terms and conditions.

If upon discovery during the term of the contract, the AGENCY verifies that the Awarded Vendor or its designated resellers are offering PEPPM eligible LEAs lower prices outside this contract, the AGENCY reserves the right to terminate this contract.

17. **Compliance with law.** Vendor shall comply with any and all laws, whether local, state, federal or otherwise, applicable to any of the services and/or products to be provided in relation to this contract. It shall be the vendor's responsibility to determine the applicability and requirements of any such laws including but not limited to Prevailing Wage Rates (Terms and Conditions VI.5.) in states where products and/or services are provided through the PEPPM contract and to abide by them. Vendor shall hold Agency harmless for any default or breach of vendor in this regard.

The invalidity of any words, phrases, sentences, sections or subsections contained in the contract shall not affect the enforceability of the remaining portions of the contract or any part thereof, all of which are inserted conditionally on their validity in law. In the event any one or more of the words, phrases, sentences, sections or



subsections are found to be invalid or unenforceable, the contract shall be read as if such offending provisions had not been inserted, and if such invalidity shall be caused by the length of any period of time set forth in any part hereof, such period of time shall be considered to be reduced or increased, as necessary, to a period which would cure such invalidity.

All applicable laws shall be deemed to be part of the bid Terms and Conditions, and the contract shall be read and enforced as though they were included. The supplier shall comply with all applicable federal, state, local and industry statutes, regulations, ordinances, codes and standards in each state where a member is located. The failure to specifically reference or include said matters in the contract documents does not excuse the supplier from compliance with same.

Bidder agrees to abide by all applicable STATE and FEDERAL laws and regulations concerning the handling and disclosure of private and confidential information regarding individuals. Bidder agrees to hold the AGENCY harmless from its unlawful disclosure and/or use of private/confidential information.

18. **Termination.** Either party may terminate this Agreement (a) if the other party files a petition for bankruptcy, becomes insolvent, or makes an assignment for the benefit of its creditors, or a receiver is appointed for the other party or its business; (b) upon the occurrence of a material breach of a material provision by the other party if such breach is not cured within thirty (30) days after written notice is received by the breaching party identifying the matter constituting the material breach; or (c) by mutual consent of the parties.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have caused their hands and seals to be affixed.

**CSIU use only:**

**CENTRAL SUSQUEHANNA  
INTERMEDIATE UNIT**

Diane Morgan  
Witness

By Robert G. Witten, PhD  
CSIU Executive Director

Print Names Above:

Diane Morgan  
Signature

Robert G. Witten  
Signature

Date: November 18, 2010

Date: November 18, 2010

<b>Vendor Name (if corporation)</b> <u>Zonar Systems, Inc.</u>	
<u>in Ike McQuade</u> Corporate Secretary (or designee) <u>VP</u>	By <u>Brett Brinton</u> Corporate President (or designee)
<b>Designee Title (If not Corporate Secretary)</b>	<b>Designee Title (If not Corporate President)</b>
<b>Print Names Above:</b>	
 Signature	 Signature
<b>(CORPORATE SEAL)</b>	
Date: <u>10-13-10</u>	Date: <u>10-13-2010</u>

<b>Vendor Name (if unincorporated)</b>	
<b>Witness</b>	By _____ <b>Owner (or designee)</b>
<b>Title</b>	<b>Designee Title (If not Owner)</b>
<b>Print Names Above:</b>	
<b>Signature</b>	<b>Signature</b>
Date: _____	Date: _____







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Original contract term: 7/2/09 – 12/31/09

Change Order #1 Contract Period: 01/01/2010 – 12/31/2010

The Vendor shall require the ordering City employee to state his or her name, department/unit name, low org number, telephone number and ship to address. Invoices shall be mailed in duplicate to the City of Seattle, Accounts Payable, per attached list. Each invoice shall indicate Contract #0000002603.

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12/30/09  
*David Stubblyfield for J.E.*







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PO Box 94687  
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